

From the Office of Congresswoman Mazie K. Hirono



Benefits of America's Affordable Health Choices Act In the 2nd Congressional District of Hawai'i

As introduced, **H.R. 3200**, America's Affordable Health Choices Act would provide significant benefits to the **people of Hawaii's 2nd Congressional District**:

- **6,600 seniors** would avoid the months-long gap in Medicare Part D coverage that limits their access to prescription drugs.
- **350 families** could escape bankruptcy each year due to unaffordable health care costs; health care providers in the District would receive payment for **\$118 million** in uncompensated care each year, through the **Affordable Health Choices Act**.
- **52,000 uninsured individuals** would gain access to high-quality, affordable health insurance.

Help for seniors with drug costs in the so-called Part D "donut hole." Each year, 6,600 seniors in the district hit the donut hole and are forced to pay their full drug costs during the last few months of each year, despite having Part D drug coverage. The legislation would provide them with immediate relief, cutting brand name drug costs during that coverage gap by 50%, ultimately eliminating the donut hole.

Health care and financial security. 350 families filed for health care-related bankruptcy in the District in 2008, caused primarily by the health care costs not covered by insurance. The bill provides health insurance for almost every American and caps annual out-of-pocket costs at \$10,000 per year, ensuring that no citizen will have to face financial ruin because of high health care costs.

Relieving the burden of uncompensated care for hospitals and health care providers. In 2008, health care providers in the District provided \$118 million worth of uncompensated care, care that was provided to individuals who lacked insurance coverage and were unable to pay their bills. Under the legislation, these costs of uncompensated care would be virtually eliminated.

Coverage of the uninsured. There are 72,000 uninsured individuals in the District, which represents about 11% of the District's population. The Congressional Budget Office estimates that nationwide, 97% of all Americans will have insurance coverage when the bill takes effect. If this benchmark is reached in the district, 52,000 people who currently do not have health insurance will receive medical coverage.

No deficit spending. The cost of health care reform under the legislation is fully paid for: half through making the Medicare and Medicaid program more efficient and the other half through a surtax on the income of the wealthiest individuals. This surtax would affect only 2,200 households in the district. The surtax would not affect 99.3% of taxpayers in the district.

This analysis is based upon the following sources: the Gallup-Healthways Survey (data on the uninsured); the U.S. Census (data on small businesses); the Centers for Medicare and Medicaid Services (data on the Part D donut hole, health